

**ATHLETIC DEPARTMENT  
UNIVERSITY OF LOUISIANA AT MONROE  
UNIVERSITY OF LOUISIANA SYSTEM  
STATE OF LOUISIANA**  
Monroe, Louisiana

Financial Statement and  
Independent Auditor's Report  
For the Year Ended June 30, 2003

January 7, 2004



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Independent Auditor's Report  
For the Year Ended June 30, 2003

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report has been made available for public inspection at the Baton Rouge office of the Legislative Auditor and at the office of the parish clerk of court.

January 7, 2004

**ATHLETIC DEPARTMENT  
UNIVERSITY OF LOUISIANA AT MONROE  
UNIVERSITY OF LOUISIANA SYSTEM  
STATE OF LOUISIANA**

Financial Statement and  
Independent Auditor's Report  
For the Year Ended June 30, 2003

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December 12, 2003

Independent Auditor's Report on  
Applying Agreed-Upon Procedures

**DR. JAMES E. COFER, SR., PRESIDENT**  
**UNIVERSITY OF LOUISIANA AT MONROE**  
**UNIVERSITY OF LOUISIANA SYSTEM**  
**STATE OF LOUISIANA**  
Monroe, Louisiana

We have audited the basic financial statements of the University of Louisiana System, as of and for the year ended June 30, 2003, and will issue that report at a later date. The University of Louisiana at Monroe is a part of the University of Louisiana System. As requested by the university, we have also performed the procedures, as enumerated below, which were agreed to by management of the university. These procedures were applied to the accounting records and internal controls of the University of Louisiana at Monroe Athletic Department and to the related outside organizations created for or in behalf of the university's intercollegiate athletic programs for the year ended June 30, 2003, solely to assist the university in complying with National Collegiate Athletic Association (NCAA) Bylaw 6.2.3.1. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of management of the University of Louisiana at Monroe. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and associated findings are as follows:

**STATEMENT OF REVENUES**  
**AND EXPENDITURES**

1. We obtained written representation from management as to the fair presentation of the Statement of Revenues and Expenditures of the intercollegiate athletic programs for the year ended June 30, 2003, as shown on Statement A. We also verified the mathematical accuracy of the amounts on the statement and agreed the amounts to the university's general ledger.

We found no exceptions as a result of these procedures.

## LEGISLATIVE AUDITOR

**DR. JAMES E. COFER, PRESIDENT**  
**UNIVERSITY OF LOUISIANA AT MONROE**  
**UNIVERSITY OF LOUISIANA SYSTEM**  
**STATE OF LOUISIANA**

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2. We compared the Statement of Revenues and Expenditures of the inter-collegiate athletic programs for June 30, 2003, and June 30, 2002, to identify variances of 5% or greater between individual revenue and expenditure accounts for each fiscal year.

As a result of our procedure, we identified variances of 5% or greater in the following revenue and expenditure accounts, for which the university provided satisfactory responses:

<u>Revenues</u>	<u>Expenses</u>
Gate receipts	Professional services
Game guarantees	Guarantees
Playoff proceeds	Scholarships
	Equipment

3. We compared the budgeted expenditures to actual expenditures for the year ended June 30, 2003, to identify any variances of 5% or greater in individual expenditure accounts.

As a result of our procedure, we identified variances of 5% or greater in the following expenditure accounts, for which the university provided satisfactory responses:

Supplies  
Professional services  
Equipment

4. We obtained from university management a list of contributions received by the athletic department to identify any individual contributions that constituted more than 10% of the total contributions.

No individual contributions were received by the athletic department that exceeded 10% of total contributions.

### **INTERNAL CONTROL - POLICIES AND PROCEDURES RELATING TO INTERCOLLEGIATE ATHLETICS - AGREED-UPON PROCEDURES**

5. We made inquiries of management and obtained the university's organization chart, employee job descriptions, and written athletic department policies and procedures to identify aspects of internal control unique to the university's

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intercollegiate athletic department and to detect deficiencies in the components of those controls.

We detected no deficiencies in the components of the internal controls unique to the university's intercollegiate athletic department.

6. We performed tests of controls unique to the university's intercollegiate athletic department to determine adherence to established policies and procedures related to revenues and expenditures:

- a. We selected the two largest cash receipt batch sheets of ticket sales and followed them through the university's cash control system.

We found no exceptions as a result of this procedure.

- b. We selected the ten largest athletic department cash disbursement transactions and followed them through the university's accounting system.

We found no exceptions as a result of this procedure.

- c. We conducted inquiries and observations of the athletic department personnel to determine their compliance with policies and procedures relating to the control and safeguarding of unsold tickets.

We found no exceptions as a result of this procedure.

7. We inquired of management about the involvement of the university's internal auditor in the intercollegiate athletic programs.

The internal auditor issued one audit report on the intercollegiate athletic programs. The report titled "Athletic Ticket Reconciliation Process" included no reportable findings.

8. We obtained the university's procedures for gathering information on the nature and extent of booster group activity for or in behalf of the university's intercollegiate athletic program to identify deficiencies in the design of those procedures.

We found no deficiencies in the design of the university's procedures for gathering information on the nature and extent of booster group activity for or in behalf of the university's intercollegiate athletic program. The University of Louisiana at Monroe Athletic Scholarship Foundation maintains its own accounts.

## LEGISLATIVE AUDITOR

**DR. JAMES E. COFER, PRESIDENT  
UNIVERSITY OF LOUISIANA AT MONROE  
UNIVERSITY OF LOUISIANA SYSTEM  
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Auditor's Report, June 30, 2003

The athletic director and the university's comptroller receive audited annual financial statements from the foundation as a basis to monitor spending of the booster group for athletics.

### **EXPENDITURES OF OUTSIDE ORGANIZATIONS MADE FOR OR IN BEHALF OF THE UNIVERSITY OF LOUISIANA AT MONROE INTERCOLLEGIATE ATHLETICS PROGRAM**

9. We obtained written representation from management of the university that the University of Louisiana at Monroe Athletic Scholarship Foundation was the only outside organization created for or in behalf of the athletic department.

10. We obtained the Statement of Cash Receipts and Disbursements from representatives of the University of Louisiana at Monroe Athletic Scholarship Foundation and agreed the statement to the organization's accounting records.

We found no exception as a result of this comparison.

11. We compared the cash disbursements made by outside organizations for or in behalf of the athletic department to the revenue reported to the university with the revenues reported on the university's Statement of Revenues and Expenditures (Statement A) and no reconciling items were identified.

We found no exceptions as a result of this comparison.

12. We compared the direct and in-kind payments from the University of Louisiana at Monroe Athletic Scholarship Foundation to the university with the revenues reported on the university's Statement of Revenues and Expenditures (Statement A) and no reconciling items were identified.

We found no exceptions as a result of this comparison.

13. We obtained the independent auditor's report for the University of Louisiana at Monroe Athletic Scholarship Foundation to identify any reportable conditions relating to the foundation's internal control and make inquiries of management to document any corrective action taken in response to the reportable conditions.

The financial statements of the University of Louisiana at Monroe Athletic Scholarship Foundation were audited by an independent certified public accounting firm for the year ended June 30, 2003. The audit report is dated September 30, 2003, and included no reportable conditions relating to the outside organization's internal control.



LEGISLATIVE AUDITOR

**DR. JAMES E. COFER, PRESIDENT  
UNIVERSITY OF LOUISIANA AT MONROE  
UNIVERSITY OF LOUISIANA SYSTEM  
STATE OF LOUISIANA**

Auditor's Report, June 30, 2003

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the Statement of Revenues and Expenditures of the intercollegiate athletic programs. Accordingly, we do not express such an opinion. Also, we express no opinion on the University of Louisiana at Monroe internal control over financial reporting or any part thereof. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management of the University of Louisiana at Monroe and is not intended to be, and should not be, used by anyone other than management of the university. By provisions of state law, this report is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Grover C. Austin". The signature is fluid and cursive, with a large, stylized initial "G".

Grover C. Austin, CPA  
First Assistant Legislative Auditor

CTV:WJR:RR:ss

[ULMNCAA03]

**ATHLETIC DEPARTMENT  
UNIVERSITY OF LOUISIANA AT MONROE  
UNIVERSITY OF LOUISIANA SYSTEM  
STATE OF LOUISIANA  
(A PORTION OF) CURRENT FUNDS  
AUXILIARY ENTERPRISE FUND**

**Statement of Revenues and Expenditures  
For the Year Ended June 30, 2003**

**REVENUES**

Transfer from state General Fund	\$2,339,565
Gate receipts	475,180
Game guarantees	1,481,673
Conference distribution	344,526
Vending and other	253,319
Contributions	593,181
Contributions-in-kind	346,074
Total revenues	<u>5,833,518</u>

**EXPENDITURES**

Personal services:	
Salaries	1,662,589
Related benefits	307,829
Travel	560,150
Operating services	420,265
Supplies	382,417
Interest expense	32,058
Promotional activities	317,357
Professional services	255,520
Other charges:	
Awards	11,154
Game guarantees	393,200
Scholarships	1,161,812
Equipment	142,641
Total expenditures	<u>5,646,992</u>

<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u><u>\$186,526</u></u>
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